ECONOMIC LINKAGES BETWEEN THE NORTHWEST TERRITORIES AND THE REST OF CANADA

Executive Summary

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I Introduction

Economic activity in the Northwest Territories (NWT) has substantial direct, indirect and induced impacts on the rest of Canada. At the request of the Government of Northwest Territories' Department of Economic Development and Tourism, The Conference Board of Canada completed an analysis of how economic activity in the Territories impacts the rest of Canada. The primary objective of the analysis was to identify the magnitude and nature of the economic linkages between NWT and the rest of Canada. Because of the high degree of imports associated with economic activity in the Territories, the results of the analysis indicate a significant economic impact on the rest of Canada, particularly for the provinces of Quebec, Ontario and Alberta.

The economic linkages examined here are based on the assumption that the production of a good or service requires inputs from other provinces or foreign markets in order to produce that good or service. In turn, the input producing provinces may also require additional inputs from other provinces as well as from the original province. Therefore, given an initial change in demand in one province there are additional economic impacts created in other provinces as the various rounds of direct, indirect and induced multiplier effects are traced between provinces. In this study, the economic linkages that existed between NWT and the rest of Canada were examined under a Base Case and four shock scenarios reflecting changes in NWT's economic activity.

The four shock scenarios, described in a separate section, reflect 'what if' scenarios as opposed to economic directions that the NWT government might take as part of an economic development strategy. In other words, the

results of the analysis of these scenarios serve to demonstrate these economic linkages as opposed to forecasting actual future economic activity. The 'what if' scenarios are essentially based on either past patterns of activity or possible futures given the resources available in NWT. Given this approach, the scenarios themselves are not assumed to unfold in the future.

The remainder of the executive summary consists of a discussion of the methodology used for the analysis, a brief description of the impact scenarios and an examination of the results. Most of the discussion will be placed on the presentation of the results of how various combinations of economic activity in the Territories translate into economic activity for the ten provinces and the Yukon.

II Methodology

In carrying out the assessment of the economic linkages between NWT and the rest of Canada, the Board incorporated the use of both macroeconomic and input-output models.

The models used in the analysis were:

- Northwest Territories' Economic Model (NWTEM, October 1989);
- Statistics Canada's Interprovincial Input-Output Model (I-O); and
- The Conference Board of Canada's Provincial Medium Term Forecasting Model (PMTFM).

These models estimated the total direct, indirect and induced impacts that economic activity in the Territories has on itself as well as on the rest of Canada. The use of three separate models was necessary because no single model would yield the full extent of the linkages between NWT and the rest of Canada.

The first model, NWTEM, a macroeconomic model of the Northwest Territories estimated the direct, indirect and induced effects of economic activity in NWT on the NWT economy. Since NWTEM does not estimate the linkage between NWT and the rest of Canada, an input-output model was used. Based on the data from NWTEM the Statistics Canada Interprovincial I-O model was used to estimate the direct and indirect impacts on the rest of Canada resulting from economic activity in NWT. The I-O model does not estimate the induced impacts, generated through the respending of income, on the rest of Canada. To estimate the induced effects, the Board's PMTFM was used. Based on the provincial results from the I-O model, the induced impacts were estimated for the rest of Canada. In total, the three models

generated the total impact of economic activity in the Territories on the rest of Canada.

For a further discussion on the use of macroeconomic verses input-output models and their limitations, see the section on 'Methodology for Analysis' of the main report.

III Impact Scenarios

The analysis of NWT's economic linkages with the rest of Canada was conducted under five separate scenarios (see Chart 1), with each scenario representing a different level and combination of economic activity in the Territories. The scenarios included a Base Case scenario plus four shock scenarios reflecting shocks or changes to the Base Case. The shock scenarios represent growth to existing sectors or the introduction of new projects to the NWT economy.

Although the scenarios were defined to reflect possible future activity for the Territories, the scenarios described below are essentially hypothetical or 'what if' scenarios and should not be interpreted as directions that are being considered by the NWT government. Any conclusions or projections are based solely on the definition and underlying assumptions embedded in each scenario. Although each of the impact scenarios is comprised of various components (i.e., sectors) only the impacts of the total scenarios are reported. Therefore, there is no assessment of the individual components contained within each scenario.

Scenario O (Base Case)

Scenario O represents the Base Case or starting point of the analysis. This scenario reflects the economic forecast of the Northwest Territories as estimated (October, 1989) by the NWT Department of Economic Development and Tourism. The base case forecast is the point from which all other scenarios are compared. In other words, the four shock scenarios represent changes to the base case activity through the introduction of new projects or increasing the activity of existing sectors.

Scenario 1

The first shock scenario examined the impacts associated with a 40 per cent increase, from its 1989 value, in Real Gross Domestic Product (RGDP). In order to achieve a 40 per cent increase in RGDP, all components of RGDP had to be increased. The components of RGDP include personal expenditures, government expenditures, gross fixed capital formation, value of physical change in inventories, exports and imports. As well, there was a 10 per cent reduction each year, in the current level of imports.

Scenario 2

The second shock scenario examined the impacts generated by the introduction of a number of new projects to the NWT economy plus the expansion of a couple of existing NWT sectors. The new projects included the introduction of two new mines and a highway construction project. The existing sectors to increase activity from their 1989 levels of activity were a fourfold increase in fish harvesting and a threefold increase in non-resident pleasure tourist volumes.

Scenario 3

The third shock scenario was comprised of the introduction of two new projects plus the expansion of tourist activity. The new projects included the construction and operations of a gas pipeline project and the construction of a new highway. The existing sector to experience growth was tourism, with a fourfold increase, from its 1989 level, in non-resident pleasure tourists.

Scenario 4

The fourth and final scenario included the expansion of a number of sectors of the NWT economy. The sectors to receive a threefold increase from their 1989 levels of activity included tourism, arts and crafts, fish exports, fur exports, wild meat and lumber production.

For a further discussion, including estimated expenditures, of the impact scenarios see the 'Impact Scenario for Economic Analysis' section of the main report.

CHART 1

NWT IMPACT SCENARIOS

Scenario 0 (Base Case):

- Status quo, no change from the Northwest Territories present (October 1989) baseline projections

Scenario 1:

- A 40 per cent increase in real GDP from its 1989 value, (shocking all components of GDP equally)
- A 10 per cent reduction each year, in the current level of imports

Scenario 2:

- Construct a highway (geographic location unspecified)
- Develop two mines in the Keewatin
- A fourfold increase in fish harvest, and
- Triple non-resident (pleasure/personal-excluding business) tourism volumes

Scenario 3:

- Construct a gas plant plus a pipeline from the Beaufort to Alberta down the MacKenzie Valley
- Complete the MacKenzie Highway to Inuvik, and
- A fourfold increase in non-resident (pleasure/personal) tourism

Scenario 4:

- A threefold increase in non-resident (pleasure/personal) tourism volumes
- A threefold increase in arts and crafts sales and
- A threefold increase in renewable resource export products (fish, fur, wild meat/musk oxen and forestry/lumber).

IV Northwest Territories Linkages to the Rest of Canada

The primary objective of this study was to examine the magnitude and nature of the economic linkages between the Northwest Territories and the ten provinces and the Yukon. That is, to what extent does economic activity in the Territories impact the rest of Canada. As previously discussed, three models were incorporated to estimate the total (direct + indirect + induced) impact that economic activity in the Territories has on itself as well as on the rest of Canada.

The results presented in this section are in the form of indices describing the distribution, across Canada, of the total impacts generated by each scenario. The results for Real Gross Domestic Product at factor cost (RGDP)[1] and employment[2] are reported. These indices are used to illustrate the relative impacts as opposed to the absolute dollar values or units of employment. The indices allow for easy comparison between scenarios without the complication of dollar values or total employment units confusing the relative order of magnitude of the impacts. The indices are structured so that the total (direct + indirect + induced) impacts for Canada equals 100 followed by a distribution of impacts across the provinces, Territories and Yukon. In other words, the total impact indices indicate how the total impacts are distributed across the various regions of Canada. The indices for RGDP and employment, for each of the scenarios, are presented in Tables 1 to 5.

In addition to the total impact indices, the values for the direct and total (indirect + indirect + induced) RGDP and employment impacts are reported for Canada. The direct and total impact values allow for the calculation of the impact multiplier. The impact multiplier[3] provides an indicator, for each

scenario, of the total impacts generated in Canada per dollar of direct RGDP activity or per direct employment in the NWT.

The interpretation of the total impact indices as well as the impact multipliers are best illustrated in the discussion of the scenario results to follow in a latter section.

Special Qualifications

Before presenting the results there are a few points concerning the data and methodology used in this analysis which should be borne in mind. First, it must be recognized that the data used for the analysis are hypothetical and approximate. Secondly, the impact scenarios were developed with the intention of examining the relative as opposed to the absolute linkages between NWT and the rest of Canada. It is for these reasons that the results presented here are expressed as indices rather than in their absolute form. The absolute linkages are discussed in greater detail in the 'Empirical Results' section of the main text.

Another point to be addressed is the fact that the analysis only includes an assessment of the total impacts of each scenario without any discussion of the individual components which comprise each scenario. With the overall comparative analysis of the scenarios in mind, the need for the impact of the individual scenario components was not necessary. This analysis examines how the rest of Canada economic linkages differ under various scenarios representing different combinations and levels of activity for the NWT economy.

Another point to keep in mind is the use of a static I-O model (where changes in levels of production take place instantaneously) to assess projects which clearly represent a flow of expenditures over a number of years. For

construction and eventual operation projects, such as the mining projects in Scenario 2, the I-O model was used with the total expenditures for construction and operation estimated as if the project was constructed and reached full operation in the same year. In reality, the actual construction of the project would take place over a number of years as opposed to instantaneously in one year. Given that the I-O model operates on a fixed set of technology coefficients, the impacts generated by the total expenditures entered into one year should equal the sum of the impacts generated had the expenditures been distributed over time and an I-O run estimated for each year. In other words, calculating these impacts over one year or a number of years would not generate significantly different results.

For scenarios 2 and 3, the mix of entering the total construction and operating expenditures into a single year is further complicated by the introduction of increased activity of the existing tourism and fishery sectors. To simplify the analysis only the peak levels of activity, as it existed in 1999, for the tourism and fishery sectors were included with the construction and operation expenditures to reflect the total expenditures associated with each scenario. Given the relatively small contributions in terms of total scenario activity, introduced by the tourism and fishery sectors, the use of peak levels of activity would not have much impact on the overall results generated by the scenario.

The Results

The following section illustrates the relative impacts generated by each of the scenarios previously defined.

Scenario O (Base Case):

Scenario O represents the Base Case forecast as estimated (October, 1989) by the NWT Department of Economic Development and Tourism. The scenario examines the NWT and its economic linkages with the rest of Canada as it existed in 1989, prior to the forecast period, and how the linkages differed by the end of the forecast period, by 1999.

The Base Case forecast of NWT estimated a decrease in economic activity for the Territories over the forecast period. The decrease was the result of a decrease in Gross Fixed Capital Formation (GFCF)[4] as old projects are phased out with no new projects being introduced during the forecast. For instance, the October 1989 forecast did not include a MacKenzie Valley pipeline project during the 10-year forecast period. To counter the drop in GFCF, there were slight increases in personal and government expenditures over the forecast period which minimized the net impact of the decrease in GFCF as real GDP for NWT remained relatively unchanged over the forecast period. For a further discussion of NWT's Base Case forecast, see Scenario O (Base Case) of the 'Empirical Results' section of the main report.

Essentially, over the forecast period, there was some restructuring of the NWT economy with the decrease in GFCF exceeding the increase in personal and government expenditures. As a result of this restructuring in NWT, there was an overall decrease in economic activity for the Territories. However, the restructuring of the NWT economy resulted in a positive direct impact on the rest of Canada for real GDP at factor cost. That is, under the new composition of the Territories economy, there was an increase in direct real GDP at factor cost of approximately $109 million for Canada generated by economic activity in the Territories. Because of a high import content (outside Canada) associated with capital projects, the decrease in Gross Fixed

Capital Formation did not have much effect on direct real GDP in the rest of Canada. Personal and government expenditures, on the other hand, do generate relatively more direct economic activity in the rest of Canada so that increases in these sectors over the forecast period had a positive direct effect on the rest of Canada which exceeded the losses in the rest of Canada generated by the reduction in GFCF in the NWT.

When the indirect and induced effects are taken into account the total net effect in Canada was a decrease in real GDP at factor cost in the order of $113 million (1981$). The losses through the indirect and induced effects were more than enough to offset the positive direct GDP at factor cost impacts. The substantial indirect and induced impacts lost were the result of the decreased capital formation activity and its associated spin-off effects.

In terms of the distribution of the total impacts across Canada, the 'total impact index' for GDP at factor cost indicates that Quebec would receive the highest share, at 41, of the total impacts in Canada. This means that for every 100 dollars of total GDP at factor cost lost in Canada, under this scenario, Quebec would account for 41 dollars. The value of –9 for the NWT indicates that its reaction is opposite to the total effects generated under the Base Case scenario. With the restructuring of the NWT economy, the Territories gained, in terms of its real GDP at factor cost, while the rest of Canada experienced losses. The gain for NWT was a result of the shift from decreased activity in GFCF, and its low contribution to GDP, to increased activity in personal and government expenditure which obviously, based on these results, contain a higher contribution to GDP.

Overall, per 100 dollars of total GDP at factor cost generated under Scenario 0, the distribution across Canada would equal:

- Northwest Territories, –9;

- Quebec, 41;
- Ontario, 37;
- Alberta, 21;
- British Columbia, 7; and
- Rest of Canada, 3.

In terms of employment, the restructuring of the NWT economy results in both the loss of direct and total employment for Canada. Under this scenario, the restructuring with the accompanying decrease in capital formation resulted in the loss of 4 additional indirect and induced jobs per direct job lost.

The multiplier for the total employment lost per direct job loss equals 5.1 for Canada. The distribution of the total Canadian employment impacts indicates that the Territories would receive the greatest loss. The distribution of employment impacts across Canada would be in order of:

- Northwest Territories, 45;
- Quebec, 22;
- Ontario, 19;
- Alberta, 8;
- British Columbia, 5; and
- Rest of Canada, 1.

For every 100 of employment lost in Canada, under the Base Case scenario, the Territories account for 45 of the total.

Based on the results presented in Table 1, Canada stands to face a decrease in economic activity should the NWT follow its October 1989 forecast. Without the introduction of new projects over the forecast period as existing projects are phased out, Canada will receive less economic activity from the

NWT by the end of the forecast period than it received prior to the forecast period in 1989.

Scenario 1

Scenario 1 examines the impacts associated with increasing the components of real GDP by 40 per cent above their 1989 values. The 40 per cent increase represents a maximum level of activity to be reached by the end of the forecast period, in 1999.

Under this scenario an additional $1,229 million of total (direct + indirect + induced) GDP at factor cost (1981$) was generated in Canada. Of that total, approximately $345 million was associated with direct economic activity. In terms of the distribution of the total GDP across Canada, approximately 36 per cent or 36 of 100 dollars of total GDP at factor cost generated in Canada was accounted for by the Northwest Territories itself. The remaining 64 per cent of the total impacts were distributed across the rest of Canada. For every 100 dollars of GDP at factor cost generated by Scenario 1 in Canada the distribution of the total impacts across would be in order of:

- Northwest Territories, 36;
- Quebec, 20;
- Ontario, 20;
- Alberta, 15;
- British Columbia, 7;
- Rest of Canada, 2.

In terms of employment, increased economic activity generated under Scenario 1 would result in the creation total employment in the order of 334 hundred person-years in Canada. Of the total Canadian employment of 334 hundred, approximately 85 hundred was associated with direct employment

or, for every direct person-year of employment there was an additional 2.9 indirect and induced person-years of employment generated in Canada.

As for the distribution of the total employment, based on the 'total impact index' for employment from Table 2, the Territories and Quebec receive the highest share at 28 of every 100 total person-years of employment generated in Canada. The distribution of total employment, per 100, would equal:

- Northwest Territories, 28;
- Quebec, 28;
- Ontario, 26;
- Alberta, 11;
- British Columbia, 6; and
- Rest of Canada, 1.

The results for Scenario 1 are presented in Table 2 of the executive summary and under Scenario 1 of the 'Empirical Results' section of the main report.

Scenario 2

Scenario 2 introduces a number of new projects to the Territories. The new projects include: the introduction (construction and operation) of two new mines; a highway construction project; and an increase in non-resident pleasure tourist volumes. The sum of these components represent the total shock introduced by scenario 2.

Based on the new project and activity introduced by this scenario, an additional $1,000 million of real GDP at factor cost (1981$) was generated in Canada. Of the total real GDP of $1,000 million approximately $352 million was associated with direct impacts. In terms of how the total GDP impacts are distributed across the various regions of Canada, the GDP 'total impact index'

indicates that of a 100 dollars of real GDP at factor cost generated in Canada approximate 47 dollars or 47 per cent remains in NWT with the remaining 53 per cent being distributed across the rest of Canada. A distribution of the impact per 100 dollars of total GDP at factor cost, under scenario 2, would equal:

- Northwest Territories, 47;
- Quebec, 16;
- Ontario, 15;
- Alberta, 15;
- British Columbia, 5; and
- Rest of Canada, 2.

In terms of the total employment generated in Canada under the increased activity introduced by scenario 2, approximately 220 hundred additional person-years of total employment would be created in Canada. Of the total employment of 220 hundred about 46 hundred were associated with direct levels of activity. Based on the employment 'total impact index' of a 100 person-years of employment generated in Canada the Territories receives the largest share of 33 of the 100.

A further breakdown of the distribution of the total employment across Canada would equal:

- Northwest Territories, 33;
- Quebec, 27;
- Ontario, 24;
- Alberta, 10;
- British Columbia, 5;
- Rest of Canada, 1.

The results for scenario 2 are presented in Table 3 of the executive summary and under scenario 2 of the 'Empirical Results' section of the main report.

Scenario 3

Scenario 3 introduces a number of new projects to the NWT economy. Most of the impacts associated with the scenario will be centred around the mega project including the construction and operation of a gas plant and pipeline.

The economic activity associated with scenario 3 results in the creation of approximately $7,114 millions in real GDP at factor cost for Canada. Of the total of $7,114 million approximately $2,544 million is associated with direct economic activity. In terms of the distribution of these impacts across Canada, based on the GDP 'total impact index', the Territories receive the largest share at 33 per cent of the total GDP at factor cost impacts in Canada. A further breakdown shows that for every 100 dollars of GDP at factor cost generated under this scenario the various regions of Canada can expect to receive the following shares:

- Northwest Territories, 33;
- Quebec, 13;
- Ontario, 30;
- Alberta, 17;
- British Columbia, 3; and
- Rest of Canada, 4.

In terms of total employment activity associated with scenario 3, approximately 1,955 hundred person-years of employment would be generated in Canada. Of the total employment of 1,955 hundred, in the order

of 540 hundred would be associated with direct activity. Based on the employment 'total impact index' the total employment generated by scenario 3 can be distributed so that for every 100 person-years of employment generated in Canada the various regions would receive the following shares:

- Northwest Territories, 27;
- Quebec, 18;
- Ontario, 37;
- Alberta, 12;
- British Columbia, 3; and
- Rest of Canada, 3;

The results for scenario 3 are presented in Table 4 of this executive summary and under scenario 3 of the 'Empirical Results' section of the main report.

Scenario 4

Scenario 4 is comprised of shocks to a number of different sectors of the NWT economy. Shocks, representing increased activity for NWT industries, include increased production for: arts and crafts; fish products; fur products; wild meat products; and increased non-resident pleasure tourist activity.

Under this scenario an additional $105 million of total GDP at factor cost was generated in Canada. Of this total of $105 million approximately 45 per cent or $47 million was associated with direct real GDP at factor cost in Canada. In terms of the distribution of the impacts across Canada, the Territories maintained most of the total impacts with 56 of every 100 dollars of total GDP generated in Canada staying in the Territories. A more detailed breakdown of the distribution of total GDP would look like:

- Northwest Territories, 56;

- Quebec, 10,
- Ontario, 14;
- Alberta, 12;
- British Columbia, 5; and
- Rest of Canada, 3.

In terms of employment associated with the increased economic activity, approximately 35 hundred person-years of employment were generated in Canada with 18 hundred person-years of that total being associated with direct economic activity. A breakdown of the total employment, per 100 person-years of employment, across Canada would look like:

- Northwest Territories, 59;
- Quebec, 10;
- Ontario, 16;
- Alberta, 7;
- British Columbia, 4; and
- Rest of Canada, 4.

The results for scenario 4 are presented in Table 5 of this executive summary and under Scenario 4 of the 'Empirical Results' section of the main report.

V Conclusion

The primary objective of the analysis undertaken in this project was to identify the nature and magnitude of the economic linkages between the NWT and the rest of Canada under a set of theoretical scenarios representing possible directions of the NWT economy. On the basis of this research, several conclusions can be derived.

Under the current or baseline forecast for the NWT economy (Scenario 0), the major capital projects currently underway will be completed but no new projects are assumed to take their place. As a result of this assumption, the structure of the NWT economy will change from what is currently in place and will reduce the economic activity generated by the Northwest Territories in the rest of Canada.

If the components of economic activity in NWT were to increase by 40 per cent over the next decade (Scenario 1), every $100 of direct real GDP injected into the NWT economy would generate a total of $360 for Canada. This 'multiplier effect' for real GDP is the strongest of Scenarios 1 through 4. In other words, on a dollar-for-dollar basis, the increase in direct economic activity in the NWT under Scenario 1 would result in the greatest amount of economic activity for Canada. Of this $360, 64 per cent would accrue outside the NWT. In terms of employment, every 100 direct jobs created in the NWT would generate a total of 390 jobs in Canada or 290 additional jobs. Of this amount, 72 per cent of the jobs would accrue outside the NWT. This scenario assumes that imports will decrease over time. This assumption reduces the linkages between the NWT and the rest of Canada and lowers the amount of real GDP and employment accruing to the rest of Canada than would be the case otherwise.

If two new mines were to come into operation, a highway were to be constructed, fish harvests were to quadruple and non-resident tourist volumes were to triple (Scenario 2), every $100 of direct real GDP injected into the NWT economy would generate a total of $280 in Canada. Of this, 53 per cent would accrue outside the NWT. In terms of employment, every 100 direct jobs created in the NWT would generate a total of 480 jobs in Canada. This 'multiplier effect' for employment is the strongest of Scenarios 1 through 4. In other words, on a job-for-job basis, the increase in employment in the NWT under Scenario 2 would result in the greatest number of jobs created for Canada. Of this 480 jobs, 67 per cent of the jobs would accrue outside the NWT.

If a gas plant and a pipeline from the Beaufort to Alberta down the MacKenzie Valley were to be constructed, the MacKenzie Highway to Inuvik were to be completed and non-resident tourist volumes were to quadruple (Scenario 3), every $100 of direct real GDP injected into the NWT economy would generate a total of $280 for Canada. Of this, 67 per cent would accrue outside the NWT. In terms of employment, every 100 direct jobs created in the NWT would generate a total of 360 jobs in Canada. Of this amount, 73 per cent of the jobs would accrue outside the NWT. For every $100 of direct real GDP generated by this scenario, the total amount of real GDP is the same as under Scenario 2, while in terms of employment, every 100 jobs directly attributable to Scenario 3 generates a lower total number of jobs than under Scenario 2. However, in terms of both real GDP and employment, Scenario 3 displays the relatively greatest linkages between the NWT and the rest of Canada.

Finally, if non-resident tourism volumes, arts and crafts sales, and renewable resource export products were to triple (Scenario 4), every $100 of

direct real GDP injected into the NWT economy would generate a total of $220 in Canada. Of this, 44 per cent would accrue outside the NWT. In terms of employment, every 100 direct jobs created in the NWT would generate a total of 190 jobs in Canada. Of this amount, 31 per cent of the jobs would accrue outside the NWT. This Scenario concentrates upon developing domestic industries and does not exhibit strong linkages to the rest of Canada. At the same time, the indirect and induced linkages arising from this scenario are the weakest of any scenario. Another way of expressing the results is to say that, relatively speaking, this scenario does not generate strong indirect and induced impacts and that the linkages to the rest of Canada would be relatively weak.

Footnotes

1 Real Gross Domestic Product (RGDP) at factor cost is a measure of the total flow of goods and services produced by the economy over a specified time period, usually a year. At factor cost indicates that the value of GDP has been adjusted to exclude indirect taxes an include subsidies. GDP in 'real' terms means that the dollar values have been adjusted to exclude inflation.

2 Employment is the number of workers, measured in person-year equivalents, employed as a result of a given level of economic activity.

3 A multiplier is a measure of the effect on total output or employment as the result of a unit change in one of its components.

4 Gross Fixed Capital Formation (GFCF) is the net investment in fixed assets (i.e., additions to the stock of real capital) including depreciation, repairs and maintenance expenditures.

Table 1
Impacts under Scenario 0 (Base Case) for 1999

	TOTAL	NWT	NFLD	PEI	NS	NB	QUE	ONT	MAN	SASK	ALTA	BC	YUKON
GDP at Factor Cost (millions 1981 $)													
Direct	100												
Direct, Indirect & Induced	110												
Total Impact Index	100	~0	0	0	0	0	41	37	2	1	21	7	0
Employment (hundreds)													
Direct	~53												
Direct, Indirect & Induced	~58												
Total Impact Index	100	45	0	0	0	0	22	19	1	0	8	5	0

Source: Northwest Territories Economic Model
Statistics Canada 1984 Interprovincial Input-Output Model
The Conference Board of Canada's Provincial Medium Term Forecasting Model

Table 2
Impacts under Scenario 1

	TOTAL	NWT	NFLD	PEI	NS	NB	QUE	ONT	MAN	SASK	ALTA	BC	YUKON
GDP at Factor Cost: (millions 1981 $)													
Direct:	345												
Direct, Indirect & Induced:	1228												
Total impact index	100	36	0	0	0	0	20	20	1	1	15	7	0
Employment: (hundreds)													
Direct:	85												
Direct, Indirect & Induced:	334												
Total impact index	100	28	0	0	0	0	28	26	1	0	11	6	0

Source: Northwest Territories Economic Model
Statistics Canada 1984 Interprovincial Input-Output Model
The Conference Board of Canada's Provincial Medium Term Forecasting Model

Table 3
Impacts under Scenario 2

	TOTAL	NWT	NFLD	PEI	NS	NB	QUE	ONT	MAN	SASK	ALTA	BC	YUKON
GDP at Factor Cost: (millions 1981 $)													
Direct:	352												
Direct, Indirect & Induced:	1000												
Total Impact Index	100	47	0	0	0	0	18	15	1	1	15	5	0
Employment: (hundreds)													
Direct:	46												
Direct, Indirect & Induced:	219												
Total Impact Index	100	33	0	0	0	0	27	24	1	0	10	5	0

Source: Northwest Territories Economic Model
Statistics Canada 1984 Interprovincial Input-Output Model
The Conference Board of Canada's Provincial Medium Term Forecasting Model

Table 4
Impacts under Scenario 3

	TOTAL	NWT	NFLD	PEI	NS	NB	QUE	ONT	MAN	SASK	ALTA	BC	YUKON
GDP at Factor Cost: (millions 1981 $)													
Direct:	2544												
Direct, Indirect & Induced:	7114												
Total Impact Index	100	33	0	0	0	0	13	30	1	3	17	3	0
Employment: (hundreds)													
Direct:	540												
Direct, Indirect & Induced:	1966												
Total Impact Index	100	27	0	0	0	0	18	37	1	2	12	3	0

Source: Northwest Territories Economic Model
Statistics Canada 1984 Interprovincial Input-Output Model
The Conference Board of Canada's Provincial Medium Term Forecasting Model

Table 5
Impacts under Scenario 4

	TOTAL	NWT	NFLD	PEI	NS	NB	QUE	ONT	MAN	SASK	ALTA	BC	YUKON
GDP at Factor Cost: (millions 1981 $)													
Direct:	47												
Direct, Indirect & Induced:	105												
Total Impact Index	100	56	0	0	0	1	10	14	1	1	12	5	0
Employment: (hundreds)													
Direct:	18.0												
Direct, Indirect & Induced:	35												
Total Impact Index	100	59	0	0	0	1	10	16	2	1	7	4	0

Source: Northwest Territories Economic Model
Statistics Canada 1984 Interprovincial Input-Output Model
The Conference Board of Canada's Provincial Medium Term Forecasting Model